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THE SUNTAG LAW FIRM
A Professional Corporation
DANA A. SUNTAG (California State Bar No. 125127)
LORIS L. BAKKEN (California State Bar No. 215033)
The Kress Building
20 North Sutter Street, Fourth Floor
Stockton, California 95202
Telephone: (209) 943-2004
Facsimile: (209) 943-0905

Attorneys for Chapter 7 Trustee
GARY R. FARRAR

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

IN RE:

REGENCY CABINETS, INC.,

Debtor.

NO: 09-92782-E-7

DC No.: SLF 4

MOTION FOR AUTHORIZATION TO
SELL VEHICLES AT PUBLIC AUCTION

Date: September 8, 2010

Time: 10:30 a.m.

Place: Department E

The Honorable Ronald H. Sargis

1 Chapter 7 Trustee Gary R. Farrar respectfully moves for authorization to
2 sell four vehicles (the "Vehicles") at public auction. The Trustee believes the proposed
3 sale of the Vehicles is in the best interests of the creditors and this Court should
4 approve it pursuant to Bankruptcy Code Section 363(b).

5 The Trustee represents the following:

6 1. On September 1, 2009, the Debtor filed this case under Chapter 11 and on
7 May 5, 2010, it was converted to Chapter 7. Gary R. Farrar was appointed Chapter 7 Trustee.

8 2. The Debtor scheduled the Vehicles as follows:

9 a. 2003 Van, which the Debtor valued at \$3000.00.

10 b. 2003 25 foot International delivery truck with 100,000+ miles, which
11 the Debtor valued at \$10,000.

12 c. Two 2003 25 foot Chevrolet C-7500 delivery trucks each with
13 100,000+ miles, and each of which the Debtor valued at \$10,000.

14 3. The Vehicles are stored at Ernst & Associates Auctioneers, Inc. (Farrar
15 Decl., ¶ 3).

16 4. The Debtor did not schedule any liens against the Vehicles and the Trustee
17 is unaware of any liens. (Farrar Decl., ¶ 4).

18 **SALE OF THE PROPERTY AT PUBLIC AUCTION**

19 5. The Trustee believes, based on his knowledge and on Ernst' evaluation of
20 the Vehicles, that there is equity in the Vehicles and a sale of the Vehicles at public auction is the
21 best method of liquidating them for the benefit of the estate. (Farrar Decl., ¶ 5).

22 6. The Trustee is filing, concurrently with this motion, an application to employ
23 Ernst.

24 7. The Trustee believes that by using an auction process, the Vehicles will be
25 exposed to a large number of prospective purchasers and, for that reason, will likely be sold for
26 the best possible price. Ernst engages in extensive advertising, including highway billboards,

1 television, and newspaper advertising, and it mails advertising brochures to its subscriber list of
2 approximately 6000 people. (Farrar Decl., ¶ 6).

3 8. If the Court approves this Motion, the Trustee intends to sell the Vehicles at
4 public auction at Ernst's first available auction date. The Vehicles will be sold on an "AS IS" basis
5 without any warranty. The proposed public sale will be held on the first available Saturday after
6 the Court approves this motion, at 9:00 a.m. at Ernst, located at 824 Kiernan Avenue, Modesto,
7 California 95356. Interested persons may inspect the Vehicles at Ernst on the Friday preceding
8 the sale between 9:00 a.m. and 4:00 p.m. Information regarding the sale or subsequent sale
9 dates, if any, may be obtained by telephoning Ernst, at (209) 527-7399. (Farrar Decl., ¶ 7).

10 9. The Trustee intends to accept the highest reasonable bid. If, in the exercise
11 of the Trustee's business judgment, no reasonable bid is received, the Vehicles may be held for
12 subsequent auction or private sale without additional notice. (Farrar Decl., ¶ 8).

13 10. The Trustee believes the sale of the Vehicles at a public auction is in the
14 best interests of the creditors because it is likely to obtain the best possible price and should be
15 approved by the Court under Bankruptcy Code Section 363. (Farrar Decl., ¶ 9).

16 **AUCTIONEER COMPENSATION**

17 11. As is noted in the accompanying application to employ Ernst, the Trustee
18 requests authorization to pay Ernst a 15 percent commission and to reimburse Ernst for
19 reasonable expenses directly from the proceeds of sale, and for Ernst to collect a 12 percent
20 buyer's fee directly from the buyer. The Trustee believes that this is a customary practice for the
21 auction sale of personal property and one which encourages the use of auction professionals to
22 assist with bankruptcy sales of property. The Trustee will file a report of the sale with the Court.
(Farrar Decl., ¶ 10).

23 **CONCLUSION**

24 The Trustee respectfully requests that the Court authorize the sale of the Vehicles
25 at public auction on the terms and conditions set forth in this Motion, approve the compensation
26 of the auctioneer on the terms and conditions set forth in this Motion (15 percent seller's

1 commission, reimbursement of reasonable expenses, and 12 percent buyer's fee), and that it
2 grant such other and further relief as is appropriate.

3 Dated: August 9, 2010

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5 By: /s/ Dana A. Suntag
DANA A. SUNTAG
6 Attorneys for Chapter 7 Trustee
GARY R. FARRAR
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